

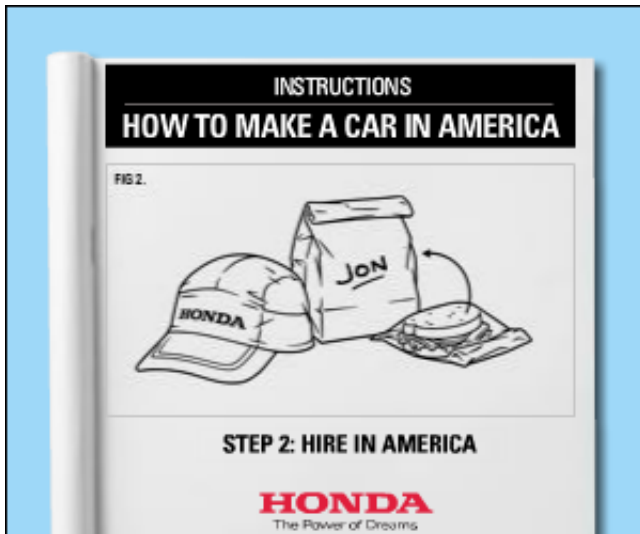


Medicare would negotiate drug prices under Dem bill

By Elise Viebeck - 03/12/13 12:23 PM ET

A new bill from Rep. Peter Welch (D-Vt.) would require federal officials to negotiate drug prices in Medicare, a move that could spell big savings for the federal budget.

Welch estimated Tuesday that his Prescription Drug Price Negotiation Act would save up to \$156 billion over ten years. He cited the Department of Veterans Affairs, which already bargains for lower prices for commonly prescribed drugs.



"It's just plain common sense that the federal government should put its enormous purchasing power to work to get a better deal on Medicare prescription drugs," Welch said in a statement.

A coalition of liberal groups recently launched a campaign to empower the Health and Human Services (HHS) Department to negotiate Medicare drug prices, which is prohibited under current law.

President Obama called for price negotiations on the 2008 campaign trail. In the course of negotiations over the healthcare law, however, the White House dropped its support for the idea, drugmakers came on board, and the provision was not included in the final bill.

Opponents, including the pharmaceutical industry, argue that insurance companies already save consumers money by working with pharmacy benefit managers. Some also say the federal drug price negotiations would lead to rationing in Medicare.

Welch's bill has 11 Democratic cosponsors. Sen. Amy Klobuchar (D-Minn.) is responsible for a similar measure in the Senate.

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